



February 15, 2018
BGE Offices, 112 West Street, Annapolis
9:00am-11:00am

Attendees:

Cabinet Members:

R. Michael Gill, Secretary, Department of Commerce, Chair
Robert McCord, Acting Secretary, Maryland Department of Planning (MDP)
Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)
Kelly Schulz, Secretary, Department of Labor, Licensing and Regulation (DLLR)
Jimmy Rhee, Special Secretary, Governor's Office of Small, Minority, & Women Business Affairs (GOSBA)
Ben Grumbles, Secretary, Department of Environment (MDE)
Earl Lewis, Jr., Deputy Secretary, Department of Transportation (MDOT) for Secretary Pete Rahn

Guests:

Yesim Karaman, Office of the Governor
Jim Fielder, Secretary, Maryland Higher Education Commission (MHEC)
Randall Nixon, Business Ombudsman, Office of the Governor
Greg Slater, Administrator, State Highway Administration (SHA)
Michael Higgs, Director of Assessments & Taxation (SDAT)
Ben Wu, Deputy Secretary/COO, Department of Commerce
James King, Director, Policy and Legislative Affairs, GOSBA
Jim Rzepkowski, Assistant Secretary, DLLR
Mike Morello, Office of Performance Improvement (GOPI)
Michael White, DHCD
Linda Gilmore, DLLR
Ellie Vimmons, SHA
John Schofield, SHA
Valerie Burnette Edgar, APR, SHA
Brady Walker, Department of Commerce
Steve Pennington, Department of Commerce
Signe Pringle, Department of Commerce
Greg Derwart, Department of Commerce
Julie Woepke, Department of Commerce
Sharon Markley, Department of Commerce

I. Call to Order

Secretary Gill called the meeting to order and welcomed members and guests

II. Chair Update

Secretary Gill made brief remarks, emphasizing the importance of culture and ongoing communication among Cabinet Members and its effectiveness when serving customers. Secretary Gill gave the example of the cooperative approach to responding to the request for information for the Amazon HQ2 project and open proposal to Apple. He then introduced SHA Administrator, Greg Slater.

III. State Highway Administration Public Private Partnerships (P3) Update

SHA Administrator Greg Slater addressed the Cabinet first describing a number of internal actions and improvements: modernization of systems and use of big data to reflect the current transportation trends; Project Green Light – an open program to encourage innovation and improvements at all levels of SHA; efficiency and process improvements as a result of an evaluation conducted in a partnership with University of Maryland Baltimore; enhanced communications methods; and enriched customer experience outreach and input.

Administrator Slater provided an update on the State's unique P3 transportation strategy to challenge the private sector to propose creative solutions within a budget rather than the traditional bids based on an engineering design. He stated the focus is on best value and cost neutral bids; breaking up contracts to allow numerous projects to be under construction simultaneously; and more contractors through multiple contracts leading to a more competitive cost. He stated that an Office of Partnerships to be staffed with 100 personnel will be stood up by the fall of 2018 with Maryland Economic Development Corporation (MEDCO) providing financial services. The purpose of the Office is to identify and pursue economic opportunities.

Administrator Slater responded to questions from the Cabinet and attendees regarding the process and customer experience improvements, support documentation and modeling in support of the Amazon HQ2 proposal and timing of specific transportation projects. (Presentation on file.)

IV. 2018 Legislative Priorities

Cabinet Secretaries provided updates on their Agency's highest legislative priorities. Commerce, MDE and SDAT priorities are found in the presentation on file. MDOT Deputy Secretary Earl Lewis, stated the Agency's top priority is HB989/SB877 – PRIME Act of 2018 to support high impact projects and to protect the P3 program and transportation trust fund. Secretary Holt reported on legislation to transfer the code enforcement of manufactured homes to DLLR. Secretary Schulz reported on the paid sick leave bill which went into effect February 11, 2018 and efforts DLLR is undertaking to assist businesses with compliance. She also reported on the Division of Financial Regulations housed in DLLR and the proposed legislation to protect consumers in relation to credit rating agencies.

Secretary Rhee reported on defending legislation that impacts small businesses and the small business reserve program. Acting Secretary McCord stated MDP is supporting clean air, clean water and environmental bills. Secretary Fielder stated MHEC is involved with an inventory of community college and university curriculum related to cybersecurity, identification of compressed programs and the placement of cyber warrior programs in two locations.

V. Review and approval of December 8, 2017 Minutes

Upon motion duly made and seconded, the minutes of the December 8, 2017 meeting were approved.

VI. Cabinet Workgroups

a. Customer Service

Greg Derwart, Managing Director, Administration & Customer Experience, Department of Commerce provided an update on the 39 Agency Plans and the Governor's Annual Report; ongoing training via a master contract; Governor's Customer Service Heroes awards programs and the encouragement to submit nominees; results of the statewide survey; ongoing workgroup meetings and the upcoming bi-annual meeting of the 39 agencies and the importance of the branding campaign. (Presentation on file.)

b. Workforce

Sharon Markley, Director, Education & Innovation, Strategic Industries & Entrepreneurship, Department of Commerce and Linda Gilmore, Manager, Office of Workforce Development, DLLR provided an update on the Workforce Development Taskforce (WDT) and its members. She stated a number of activities are underway: an inventory of programs and resources; a review of website site locations to house the portal; and the build out and maintenance of the portal. The WDT target date to present plan to the Cabinet is June of 2018. (Presentation on file.)

c. Job Creators

Ben Wu, Deputy Secretary/COO, Department of Commerce gave a brief update on the top five job creators: 1) Federal Bureau of Investigation (FBI) – the General Services Administration (GSA) has reported that the FBI will remain at its current location; 2) Tradepoint Atlantic - Under Armour is scheduled to take delivery of distribution facility in March of 2018 and operational in June; 3) Port Covington - while not selected as finalist for the Amazon HQ2 bid, the project remains active with support from the backing of Goldman Sachs and the Tax Increment Financing; 4) Amazon HQ2 – State agencies are working closely with Montgomery County to respond comprehensively and rapidly to the request for information; and 5) Project C.O.R.E. - Secretary Holt reported being on track to complete 3,400 demolitions by the end of 2018 in partnership with the Maryland Stadium Authority and Baltimore City. By the end of 2019, Secretary Holt stated total demolition will reach 4,200. He also briefed on the new Federal Opportunity Zones Program.

Deputy Secretary Wu reported that the Job Creators website was presented to the Governor's Office and while there was value to the website, it will remain internal for agencies' input.

VII. Business Development Activity

Steve Pennington, Managing Director, Business & Industry Sector Development, Department of Commerce provided an overview of job activity. He stated Maryland gained 1,278 jobs from projects ranging from cybersecurity, headquarters, food processing, and distribution. He described pending announcements of new and retained jobs, notable new projects and sales activity. (Presentation on file.)

VIII. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 11:20am by Deputy Secretary Wu.